

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1548 - SB 1753

January 26, 2014

SUMMARY OF BILL: Authorizes the City of Columbia to levy a hotel occupancy tax, not to exceed five percent, subject to the adoption of an ordinance by a two-thirds vote of the municipal legislative body.

ESTIMATED FISCAL IMPACT:

Increase Local Revenue – \$700,600/Permissive

Assumptions:

- According to the Department of Health, there are 12 hotels in Columbia, with a total of 779 rooms.
- According to the Nashville Convention and Visitors Bureau, the 2012 hotel occupancy rate in Davidson County was 67.0 percent. According to PricewaterhouseCoopers LLP, the national hotel occupancy rate for 2012 was 61.3 percent and was estimated to have been 62.2 percent in 2013. Estimate assumes the occupancy rate in Columbia is 64.0 percent.
- There will be approximately 181,974 nightly rentals (779 rooms x 365 days x 64.0% occupancy) each year in Columbia.
- According to the Maury County Convention and Visitors Bureau, the average hotel room rate in Maury County is \$77.
- Maury County currently imposes a five percent hotel occupancy tax. It is assumed that the City of Columbia will also impose a five percent tax upon passage of this bill.
- The permissive recurring increase in local government revenue is estimated to be \$700,600 (181,974 x \$77 x 5.0%).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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